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Biotechnology-Related Startup Firms in Japan: Lessons from a Survey Study

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Abstract

This paper first discusses the role that new biotechnology-related firms (NBFs) are expected to play in the development of biotechnology-related industries and, then, discusses current situations surrounding NBFs in Japan based on the survey study and interviews we conducted with 65 NBFs. A special emphasis is placed on the difficulties that NBFs face, their interaction with universities, and the role government policies can play on them. As regards difficulties in starting new enterprises, many respondents raised difficulties in recruiting qualified researchers and in funding. In Japan, most qualified researchers belong to universities and big companies and their mobility is low, which makes recruiting by new firms difficult. As regards funding, many respondents expressed their hope that the government expands R&D-related subsidiaries. It is noteworthy that they supported not just quantitative expansion, that is, an increase in the amount of subsidiaries, but also improvement in the ease in using subsidiaries, such as the flexibility in the use of money and less red tape. The study therefore suggests that Japan needs a more mobile market for scientists, a more developed venture-capital market, and more flexible government policies in order to promote the activities of NBFs.

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